

## **EXHIBIT B**

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

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In Re: PHARMACEUTICAL INDUSTRY )  
AVERAGE WHOLESALE PRICE ) MDL No. 1456  
LITIGATION )  
 ) Master File No. 01-CV-12257-PBS  
 )  
 ) Judge Patti B. Saris  
----- x  
This Document Relates to: ) Chief Mag. Judge Marianne B. Bowler  
01-CV-12257-PBS )  
 )  
 )  
----- x

**DECLARATION OF ADEEL A. MANGI**

Adeel A. Mangi, declares and says:

1. I am associated with the firm of Patterson, Belknap, Webb & Tyler LLP, which serves as counsel to Johnson & Johnson, Centocor, Inc., Ortho Biotech Products L.P., McNeil-PPC, Inc., Janssen Pharmaceutica Products L.P., Johnson & Johnson Health Care Systems, Inc., Ortho McNeil Pharmaceuticals Inc., and Ortho Neutrogena in connection with the above captioned litigation. I submit this declaration, which is based on my personal knowledge, in support of Defendants' Opposition to Plaintiffs' Emergency Motion for a Protective Order seeking to impose certain scheduling limits on third party depositions.

2. I have been directly involved on behalf of defendants in the discussions with the third party payors that have been subpoenaed by defendants for documents and deposition testimony.

3. Although the majority of defendants' third party subpoenas were served in November 2003, all of the third party payors who were subpoenaed refused to produce documents in response to those subpoenas until the Court decided plaintiffs' Motion for a Protective Order. These entities also generally refused to engage in any discussions with defendants' counsel regarding the scope of their productions during this time period.

4. Defendants promptly initiated discussions with these third party payors regarding the scope of their productions as soon as plaintiffs' motion was denied in March 2004. Nonetheless, productions did not begin until May or June 2004. Accordingly, defendants could not even begin to schedule depositions of these third party payors until this summer and did so promptly after receiving document productions.

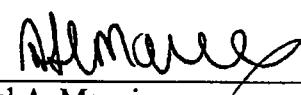
5. I have been informed by other defense counsel that delays of a similar duration also occurred in obtaining productions from other important third parties, such as PBMs and pharmaceutical benefit consultants used by many third party payors.

6. To date defendants have scheduled depositions with only a fraction of the subpoenaed third parties. In each case, the depositions have been scheduled in order to accommodate the needs of the third party witnesses, within a timeframe that will allow defendants to use the discovery in opposition to plaintiffs' motion for class certification.

7. Given the need to accommodate third party schedules, depositions are sometimes scheduled or cancelled on relatively short notice. Defendants have made every effort to keep plaintiffs' counsel apprised of these scheduling changes. Defendants began by promptly posting to Verilaw correspondence confirming firm deposition dates.

Defendants then agreed to exchange a calendar of third party depositions with plaintiffs on at least a weekly basis, and often more frequently as scheduling changes arise.

8. I declare under penalty of perjury that the foregoing is true and correct.

By:   
Adeel A. Mangi

Dated: September 20, 2004

## **EXHIBIT C**



UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

IN RE PHARMACEUTICAL INDUSTRY  
AVERAGE WHOLESALE PRICE  
LITIGATION

MDL. No. 1456

CIVIL ACTION: 01-CV-12257-PBS

Judge Patti B. Saris

THIS DOCUMENT RELATES TO ALL  
ACTIONS

Chief Mag. Judge Marianne B. Bowler

**PLAINTIFFS' CONSENT MOTION FOR AN EXTENSION OF TIME TO  
OPPOSE ASTRAZENECA'S MOTION FOR A PROTECTIVE ORDER LIMITING  
THE SCOPE OF CERTAIN THIRD PARTY SUBPOENAS**

Plaintiffs hereby move, with the consent of AstraZeneca, for a three day extension of time until September 17, 2004, to oppose the Motion for a Protective Order Limiting the Scope of Certain Third Party Subpoenas. The parties have been discussing potential resolutions to this dispute. No further extensions of time are anticipated.

Accordingly, Plaintiffs move for the entry of the proposed scheduling order attached hereto.

**CERTIFICATION PURSUANT TO LOCAL RULE 7.1**

Pursuant to Local Rule 7.1(a)(2), the undersigned hereby certify that counsel for AstraZeneca consents to this motion.

Dated: September 14, 2004

By: /s/Edward Notargiocomo

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**CERTIFICATE OF SERVICE BY VERILAW**

Docket No. MDL 1456

I, Edward Notargiacomo, hereby certify that I am one of plaintiffs' attorneys and that, on September 14, 2004, I caused copies of PLAINTIFFS' CONSENT MOTION FOR AN EXTENSION OF TIME TO OPPOSE ASTRAZENECA'S MOTION FOR A PROTECTIVE ORDER LIMITING THE SCOPE OF CERTAIN THIRD PARTY SUBPOENAS to be served on all counsel of record by causing same to be posted electronically via Verilaw.

Dated: September 14, 2004

/s/ Edward Notargiacomo  
Edward Notargiacomo



**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

IN RE PHARMACEUTICAL INDUSTRY ) MDL No. 1456  
AVERAGE WHOLESALE PRICE )  
LITIGATION ) CIVIL ACTION:  
\_\_\_\_\_  
)

Judge Patti B. Saris

Chief Mag. Judge Marianne B. Bowler

**[PROPOSED] SCHEDULING ORDER**

IT IS HEREBY ORDERED that Plaintiffs shall be granted a three day extension until September 17, 2004, to file any opposition to AstraZeneca's Motion for a Protective Order Limiting the Scope of Certain Third Party Subpoenas.

DATED: \_\_\_\_\_

Hon. Marianne B. Bowler  
United States Magistrate Judge

## **EXHIBIT D**

Russell Hailey

Nashville, TN

August 4, 2004

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

3 In Re: PHARMACEUTICAL ) MDL DOCKET NO.  
INDUSTRY AVERAGE WHOLESALE ) CIVIL ACTION NO.  
4 PRICE LITIGATION, ) 01CV12257-PBS

5 THIS DOCUMENT RELATES TO:  
ALL ACTIONS

J. Russell Hailey

Nashville, TN

August 4, 2004

23 (Pages 86 to 89)

<p>1 Q. State it a different way. These  2 programs all centralized the  3 decision-making process from which drugs  4 are prescribed or dispensed would be of  5 plan. Is that correct?  6 A. That is correct.  7 Q. Okay. Let's turn back to Exhibit B  8 which is Bates stamped CVH 289. Mr.  9 Hailey, generally speaking, what does this  10 exhibit show?  11 A. Fee schedule.  12 Q. And what is a fee schedule?  13 A. Well, in return for the services  14 outlined in the agreement, a reimbursement  15 will be made as follows for these services.  16 Q. Were these administrative fees and  17 reimbursement rates set forth in this fee  18 schedule actually implemented?  19 A. Yes.  20 Q. Under the section 2 -- well,  21 withdraw that question.  22 Is it correct that section 2 of</p>	<p>86  1 dispensed to the Coventry members?  2 A. We would -- we assume there was  3 margin.  4 Q. Your assumption was at the time  5 that the reimbursement rate that you paid  6 to ESI exceeded the cost at which the  7 pharmacies acquired the drug. Correct?  8 A. Say that again now.  9 Q. Is it correct that your  10 understanding at the time was the amount of  11 reimbursement that you provided to ESI  12 exceeded the amounts that it cost the  13 pharmacy for the drugs that were being  14 reimbursed?  15 A. The -- we were paying enough money,  16 to answer the question, where no one was  17 losing money. That was the assumption.  18 Q. In other words, given the rates  19 that you utilized --  20 A. Correct.  21 Q. -- it was your understanding that  22 the pharmacies were acquiring the drugs at</p>
<p>1 this fee schedule specifies the rate at  2 which Coventry will reimburse Express  3 Scripts for drugs that are dispensed from  4 the pharmacies with which Express Scripts  5 have contracted?  6 A. Yes.  7 Q. Okay. And in that section the  8 agreement provides that Coventry shall  9 reimburse ESI for drugs dispensed from ESI  10 pharmacies at the lesser of AWP minus 12  11 percent or AWP minus 13 percent plus a  12 dispensing fee --  13 A. It's as --  14 Q. -- for --  15 A. It's as stated in the contract  16 here, these are the terms.  17 Q. Right. My question is in setting  18 the reimbursement amount to ESI at AWP  19 minus 12 percent or AWP minus 13 percent,  20 was it Coventry's understanding at the time  21 that it was providing some margin to ESI or  22 the pharmacies with respect to the drugs</p>	<p>87  1 something, at a price less than AWP minus  2 12 percent or AWP minus 13 percent?  3 A. That's our assumption, yes.  4 Q. Now turning back to the actual  5 terms of the provision, it states there  6 that the amount reimbursed shall be the  7 lesser of series of numbers including the  8 discount off the AWP, the maximum  9 reimbursable amount, and, quote, the  10 pharmacy's usual and customary price  11 charged to a retail customer, end quote.  12 A. Uh-huh.  13 Q. Why did the reimbursement formula  14 include a limitation as to the usual and  15 customary price charged to the retail  16 pharmacy?  17 A. Well, again, we're being  18 comprehensive with this definition. As an  19 example, if a brand drug, formulary brand  20 drug is written, and let's just use this  21 number, and the member pays a \$20 copay,  22 then if a branded drug on the formulary, if</p>

J. Russell Hailey

August 4, 2004

Nashville, TN

34 (Pages 130 to 133)

<p>1 Coventry Health Care. Is it accurate that  2 that is your signature on behalf of  3 Coventry Health Care?</p> <p>4 A. Yes.</p> <p>5 Q. Mr. Hailey, what was the impetus  6 for this agreement?</p> <p>7 A. Twofold. One is we wanted to get  8 better terms with the agreement, and  9 Caremark wanted an extension of the  10 contract beyond the original terms of the  11 first agreement.</p> <p>12 Q. When you refer to better terms,  13 what are you referring to?</p> <p>14 A. Well, we think we got better mail  15 order rates in this agreement than we had  16 in the previous agreement.</p> <p>17 Q. Where are the improved mail order  18 rates reflected in this amendment?</p> <p>19 A. Well, if you go to page 3, 8.5, we  20 were able for brand prescriptions through  21 the mail to be at AWP minus 21 percent  22 versus AWP minus 20 percent. If you go to</p>	<p>130</p> <p>1 time that in reimbursing Caremark at AWP  2 minus 21 percent for brand name drugs, you  3 nevertheless were providing Caremark or its  4 pharmacies some margin on those drugs?</p> <p>5 A. My assumption would be there would  6 be some margin, yes.</p> <p>7 Q. With respect to section 8 of this  8 agreement, is it correct that this section  9 provides for more particularization with  10 respect to the manner in which Coventry  11 shall reimburse Caremark for the generics  12 distributed?</p> <p>13 A. Yes.</p> <p>14 Q. And under these provisions, is it  15 correct that the amount of reimbursement  16 that Coventry is agreeing to provide to  17 Caremark depends in part on whether or not  18 the generic product was listed on the MAC  19 schedule as of June 15th, 2002?</p> <p>20 A. It's as we've got it stated in the  21 contract.</p> <p>22 Q. Without reiterating all the terms</p>
<p>1 page 2, again, we were defining the MAC  2 through the mail going from AWP minus 55  3 percent to a guaranteed average of AWP  4 minus 64 percent.</p> <p>5 Q. With respect to section 8.5, which  6 you said pertains to the mail order –</p> <p>7 A. Can I add something?</p> <p>8 Q. Sure.</p> <p>9 A. The other thing we did is we put  10 some more performance parameters in the  11 contract to guarantee implementation of new  12 acquisitions that we did not have in the  13 original agreement. Okay, I'm sorry. Go  14 ahead.</p> <p>15 Q. With respect to section 8.5, which  16 as I understand you to say, that for brand  17 name drugs dispensed through the mail order  18 pharmacy, this section provides that those  19 brand name drugs shall be reimbursed at AWP  20 minus 21 percent?</p> <p>21 A. Correct.</p> <p>22 Q. Was it your understanding at the</p>	<p>131</p> <p>1 of the contract, is it fair to say that  2 this revision made it more complex, made  3 the reimbursement of generics by Coventry  4 to Caremark a more complex analysis?</p> <p>5 A. Yes.</p> <p>6 Q. How would one determine today how  7 much any particular generic drug was  8 reimbursed by Coventry at any particular  9 point in time?</p> <p>10 A. Look at the claims payment history.</p> <p>11 Q. Aside from looking at the claims  12 payment history, is there any other way to  13 determine the reimbursement methodology or  14 rate at which Coventry reimbursed Caremark  15 for generics under this agreement?</p> <p>16 A. I guess I'm not, I'm sorry, I'm  17 just not clear on the question.</p> <p>18 Q. It's not a complicated question,  19 it's as simple as you can get it.</p> <p>20 A. Okay.</p> <p>21 Q. Other than looking at the claims  22 data, is there any other way of determining</p>

J. Russell Hailey

Nashville, TN

August 4, 2004

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<p>1 it is, that is the average wholesale price  2 of a particular drug.  3 Q. What I'm trying to explore is what  4 that means and what it means to Coventry.  5 Now, let's walk through this. Coventry  6 reimburses pharmacies at an amount less  7 than AWP. Is that correct?  8 A. That's correct.  9 Q. And in doing so Coventry  10 understands and believes that the  11 pharmacies are making some margin on the  12 drugs that they dispense. Is that correct?  13 A. That's correct.  14 Q. So therefore in providing  15 reimbursement that is less than AWP, is it  16 not accurate that Coventry understands that  17 average wholesale price is not an average  18 of what the pharmacies are actually paying  19 for the drugs?  20 MR. MACORETTA: Objection.  21 THE WITNESS: Since we pay an AWP  22 minus a percent discount, my assumption is</p>	158	<p>1 Q. To your knowledge, has any pharmacy  2 conspired with any manufacturer to inflate  3 a drug's AWP?  4 MR. MACORETTA: Objection.  5 THE WITNESS: No.  6 BY MR. HAAS:  7 Q. To your knowledge, has any doctor  8 conspired with any drug manufacturer to --  9 withdraw that question.  10 To your knowledge, has any doctor  11 conspired with any drug manufacturer to  12 inflate any drug's AWP?  13 A. No.  14 MR. MACORETTA: Objection.  15 BY MR. HAAS:  16 Q. To your knowledge, has any PBM  17 conspired with any drug manufacturer to  18 inflate a drug's AWP?  19 MR. MACORETTA: Objection.  20 THE WITNESS: No.  21 BY MR. HAAS:  22 Q. Have you seen the complaint that</p>	160
<p>1 is that that's not the price, the quoted  2 AWP is not the price they're paying.  3 BY MR. HAAS:  4 Q. All right.  5 A. My assumption is, not knowing  6 factually, but my assumption is that they  7 pay some percent close to, it may be above  8 WAC or it could be close to WAC, I'm not  9 sure.  10 Q. But your assumption is somewhere --  11 the amount that pharmacies are paying for  12 drugs is somewhere around the wholesale  13 acquisition cost?  14 A. It's somewhere around that number.  15 MR. MACORETTA: Objection.  16 THE WITNESS: But I don't know that  17 factually.  18 BY MR. HAAS:  19 Q. Has Coventry ever actually  20 conducted any studies of the cost at which  21 doctors or pharmacies acquire drugs?  22 A. No.</p>	159	<p>1 has been filed in this action?  2 A. No.  3 Q. Do you understand that the  4 plaintiffs in this action are contending  5 that the publication of AWPs have defrauded  6 payers that paid based upon AWP?  7 MR. MACORETTA: Objection.  8 THE WITNESS: Time out.  9 MR. HAAS: Off the record.  10 (Break taken.)  11 MR. HAAS: Back on the record. Was  12 there a question pending?  13 (Requested material read.)  14 THE WITNESS: No, I don't.  15 BY MR. HAAS:  16 Q. Is it your position that drug  17 manufacturers have perpetuated a fraud on  18 Coventry by publishing AWPs?  19 MR. MACORETTA: Objection.  20 THE WITNESS: No.  21 MR. HAAS: I have one more pile of  22 documents I just need you to authenticate.</p>	161

## **EXHIBIT E**

Dale Kramer

July 23, 2004

Oakland, CA

1

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

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5  
6 IN RE: PHARMACEUTICAL )  
7 INDUSTRY AVERAGE ) MDL No. 1456  
8 WHOLESALE PRICE )  
9 LITIGATION ) No.  
10 ----- ) 01-CV-12257-PBS  
11 This Document Relates to )  
12 All Actions )  
13 )  
14 Defendant. )  
15 )  
16 )  
17 )  
18 )  
19 )  
20 )  
21 )  
22 )

12 FRIDAY, JULY 23, 2004

13 DEPOSITION OF DALE KRAMER

14  
15 Deposition of DALE KRAMER, taken on behalf of  
16 Plaintiffs, at One Kaiser Plaza, Oakland, California,  
17 commencing at 1:09 p.m. on FRIDAY, July 23, 2004,  
18 before LESIA J. MERVIN, CSR No. 4753, RMR, Certified  
19 Realtime Reporter.

Dale Kramer

July 23, 2004

Oakland, CA

10 (Pages 34 to 37)

<p>1 called.</p> <p>2 Q. Benefits department. Who's the head of</p> <p>3 that department?</p> <p>4 A. I don't know.</p> <p>5 Q. Do you have an understanding,</p> <p>6 Mr. Kramer, as to whether or not Kaiser reimburses</p> <p>7 MedImpact for the amount paid to the pharmacies under</p> <p>8 the point of service plan at the amount paid -- at the</p> <p>9 same amount that MedImpact pays the pharmacy?</p> <p>10 A. I don't know that MedImpact pays the</p> <p>11 pharmacies. I think they just adjudicate and manage</p> <p>12 the claim and Kaiser pays directly.</p> <p>13 Q. So to your understanding it's a complete</p> <p>14 pass-through relationship?</p> <p>15 A. That's my understanding.</p> <p>16 Q. Do you have an understanding as to the</p> <p>17 methodology by which the pharmacies charge Kaiser for</p> <p>18 the drugs dispensed to its members under the point of</p> <p>19 service plan?</p> <p>20 A. Yeah, I believe it's based on AWP.</p> <p>21 Q. Do you have an understanding of whether</p> <p>22 Kaiser has any contractual relationship with the</p>	34	<p>1 Which department at Kaiser would be</p> <p>2 responsible for developing MAC lists for the point of</p> <p>3 service plan? Would that be the benefits department</p> <p>4 also?</p> <p>5 A. Pharmacy Benefits Department.</p> <p>6 Q. Is the Pharmacy Benefits Department</p> <p>7 distinct from the Benefits Department?</p> <p>8 A. Yes.</p> <p>9 Q. Is it a separate department or is it a</p> <p>10 subdepartment of that?</p> <p>11 A. Separate department.</p> <p>12 Q. To your knowledge, for the drugs that</p> <p>13 are dispensed -- withdraw that question. To your</p> <p>14 knowledge, with respect to the drugs that are</p> <p>15 administered to Kaiser members in doctors' offices</p> <p>16 under the point of service plan, is it your</p> <p>17 understanding that those drugs are reimbursed at some</p> <p>18 amount based on AWP?</p> <p>19 A. I don't have any knowledge of how the</p> <p>20 medical care arrangement works.</p> <p>21 Q. With respect to the reimbursement of</p> <p>22 pharmaceuticals under the point of service plan at some</p>	36
<p>1 pharmacies -- withdraw that. Withdraw that question.</p> <p>2 Do you have an understanding whether or</p> <p>3 not MedImpact has a contractual relationship with the</p> <p>4 pharmacies that participate in the point of service</p> <p>5 program?</p> <p>6 A. I don't know the details, so I couldn't</p> <p>7 say with certainty.</p> <p>8 Q. With respect to the reimbursement that</p> <p>9 Kaiser has in fact paid to pharmacies under the point</p> <p>10 of service plan, do you have any understanding as to</p> <p>11 the range of discounts off of AWP that Kaiser has paid</p> <p>12 to reimburse for branded drugs dispensed to its</p> <p>13 members?</p> <p>14 A. I don't know the terms of the agreement.</p> <p>15 Q. Do you have an understanding as to</p> <p>16 whether Kaiser itself, or MedImpact on behalf of</p> <p>17 Kaiser, has developed MAC lists to govern the</p> <p>18 reimbursement of generic drugs under the point of</p> <p>19 service plan?</p> <p>20 A. I don't know for sure, but I would</p> <p>21 assume so.</p> <p>22 Q. Who would -- withdraw that question.</p>	35	<p>1 rates based upon AWP, is it your understanding of</p> <p>2 Kaiser's understanding that Kaiser understood AWP in</p> <p>3 that context to be a benchmark set at some fixed amount</p> <p>4 above WAC?</p> <p>5 MR. RHOAD: Objection to form.</p> <p>6 THE WITNESS: Yes, I -- well, I believe that</p> <p>7 Kaiser's understanding of AWP in this instance is the</p> <p>8 same as my own, that it's a benchmark with a spread</p> <p>9 above the actual cost.</p> <p>10 BY MR. HAAS:</p> <p>11 Q. And even though Kaiser -- now I'm on</p> <p>12 Kaiser's knowledge or understanding of this question.</p> <p>13 Even though Kaiser's reimbursing the pharmacies at some</p> <p>14 discount between five and 15 percent off of AWP, is it</p> <p>15 Kaiser's understanding, nevertheless, that it is</p> <p>16 affording some margin to the pharmacies for the drugs</p> <p>17 dispensed to its members?</p> <p>18 MR. RHOAD: Eric, to be clear, you're</p> <p>19 referring to the point of service business?</p> <p>20 MR. HAAS: Yes, referring now solely to the</p> <p>21 point of service plan.</p> <p>22 THE WITNESS: Yes, we believe there is a</p>	37

Dale Kramer

July 23, 2004

Oakland, CA

11 (Pages 38 to 41)

1 margin. 2 BY MR. HAAS: 3 Q. Do you have any understanding in 4 reimbursing pharmacies for drugs dispensed to Kaiser's 5 members as to the amount of margin that the pharmacies 6 are earning on those drug sales? 7 A. Yeah, it would be the difference between 8 the 20 to 25 percent, say, average 22 and a half 9 percent and whatever discount off WAC has been 10 negotiated. 11 Q. Aside from the point of service plan, is 12 there any other plan that Kaiser offers that utilizes 13 AWP in determining or setting any amount of 14 reimbursement, either to providers or to pharmacies? 15 A. No other plan that uses AWP. 16 Q. Is a point of service plan offered only 17 in particular geographic areas, or is it offered 18 throughout the geographic area that Kaiser operates? 19 A. Only within geographic areas where 20 Kaiser operates. 21 Q. Is it correct that Kaiser operates now 22 in nine states?	38	1 Q. Does Kaiser have any interaction or does 2 Kaiser do any business with unions? 3 A. Yes. 4 Q. Which unions? 5 A. Probably a large number. I can't tell 6 you, I know retail clerks in Northern and Southern 7 California are our major customers. 8 Q. Mr. Kramer, have you had the opportunity 9 to review the Complaint that has been filed in this 10 action? 11 A. Yes. 12 Q. Are you familiar with the named 13 plaintiffs in this action? 14 A. Yes. 15 Q. Are any of the named plaintiffs or have 16 at any point in time any of the named plaintiffs been 17 customers or clients of Kaiser? 18 A. I don't know. 19 Q. How does one go about determining that? 20 A. We would have to check with, I guess, 21 our benefits department. 22 Q. Who are Kaiser's major competitors?	40
1 A. I believe so. 2 Q. Setting aside individuals and employers, 3 by that I mean corporate employer groups, who are 4 Kaiser's customers or clients? 5 MR. RHOAD: Objection to the form. 6 THE WITNESS: Well, our biggest customers are 7 the federal government and CalPERS, and after that the 8 University of California, and after that a variety of 9 major corporations, people like IBM, General Motors, 10 etc. 11 BY MR. HAAS: 12 Q. Does Kaiser represent any union benefit funds? 13 MR. RHOAD: Did you say union benefit funds? 14 BY MR. HAAS: 15 Q. Yes. 16 A. I don't know what that means. 17 Q. Okay. Does Kaiser represent any funds 18 that -- withdraw that question. 19 Let me ask it this way: Is it -- are 20 you unfamiliar with the term "union benefit fund"? 21 A. Yes.	39	1 A. Everybody in the healthcare provider business. 2 Q. Does Kaiser compete with indemnity 3 insurance plans? 4 A. Yes. 5 Q. Does Kaiser compete with PPO plans? 6 A. Yes. 7 Q. As a matter of course, when Kaiser is 8 competing for a client, does Kaiser engage in a request 9 for proposal process whereby Kaiser submits responses 10 to requests issued by the potential clients? 11 A. I know that happens with some clients. 12 Q. Would you say that's the typical process 13 by which customers, clients, select a health plan 14 administered benefits to its members? 15 MR. RHOAD: Eric, this is Robert Rhoad. 16 Obviously I want to give you some latitude here, but 17 this seems to be venturing off the -- or outside of the 18 scope of the deposition, as identified in your letter 19 of July 14, where it lists out five items as being 20 within the scope of the deposition. 21 MR. HAAS: I appreciate your latitude,	41